



Order under Section 135 Residential Tenancies Act, 2006

Citation: Song v Mu, 2026 ONLTB 8356

Date: 2026-01-27

File Number: LTB-T-079373-24

In the matter of: D, 86 MCDOUGALL RD
WATERLOO ON N2L5C5

Between: Lixun Song Tenant

And

Jun Mu Landlord

Lixun Song (the 'Tenant') applied for an order determining that Jun Mu (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on November 10, 2025.

Only the Tenant attended the hearing.

As of 9:35 a.m., the Landlord was not present or represented at the hearing although properly served with notice of this hearing by the LTB. There was no record of a request to adjourn the hearing. As a result, the hearing proceeded with only the Tenant's evidence.

Determinations:

1. As explained below, the Tenant proved some of the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must reimburse him \$800.00, representing a key deposit that the Landlord illegally retained.

The Tenant's Adjournment Request Was Denied

2. The Tenant requested an adjournment on behalf of the Landlord, who was travelling outside the country and chose not to attend the hearing. The Landlord was aware of the hearing date but made no effort to inform the Board.
3. The Landlord made the decision not to participate in the proceedings. It would be a waste of public resources to adjourn on the basis of his choice not to attend.
4. The Board has a statutory obligation to deal with the matters before it as expeditiously as possible. In this case, the Tenant was present and able to present his case. The Landlord

had every opportunity to respond and participate but chose not to. As such, an adjournment is not appropriate.

The Rent Increase is Deemed Valid

5. The Landlord did not collect rent in excess of the amount allowed by the Residential Tenancies Act, 2006 (the 'Act').
6. The Tenant testified that the Landlord increased the rent on two occasions during the tenancy:
 - September 1, 2022: rent increased from \$2,000.00 to \$2,200.00.
 - September 1, 2023: rent increased from \$2,200.00 to \$2,800.00.
7. These increases were not lawful at the time they were made, as they are unauthorized above-guideline increases.
8. However, the increases are deemed lawful pursuant to subsection 136(2) of the *Residential Tenancies Act*, 2006 (the 'Act'). This section deems increases of rent to be lawful if a Tenant does not file an application with the Board within one year after the date the increase was first charged, and the lawfulness of the rent increase is in issue in the application.
9. The Tenant did not file this application within one year of these increases. He filed the application on September 29, 2024. Therefore, by operation of subsection 136(2), the rent increases are deemed to have been lawful and the Tenant's claim that excess rent was paid must be dismissed.

The Landlord Must Return the Key Deposit to the Tenant

10. The Tenant testified that the Landlord collected an \$800.00 key deposit at the beginning of the tenancy but that this amount was not returned to him at the end of the tenancy, despite all keys to the rental unit having been returned.
11. The Tenant testified that he paid this deposit in September 2023 and moved out of the rental unit on August 31, 2024. He testified that he returned the eight keys to the rental unit that he was given at the beginning of the tenancy but did not receive the deposit when he moved out.
12. The rental agreement between the party clearly lists this \$800.00 as a refundable key deposit.
13. The Tenant testified that the Landlord refused to return the deposit because of damage the Tenant's pet allegedly caused in the rental unit.
14. Deposits collected in compliance with the Act – such as a key deposit – cannot be reallocated to other purposes by the Landlord. By refusing to return the deposit, the Landlord has effectively attempted to change the nature of this deposit to an illegal security deposit, contrary to section 105 of the Act.

15. The Tenant's testimony was clear and consistent at the hearing. It was not contested. It was also supported by the documentary evidence the Tenant provided.
16. I find that it is more likely than not that the Landlord illegally retained the key deposit of \$800.00 when he refused to return it at the end of the tenancy. It must be returned to the Tenant.

It is ordered that:

1. The total amount the Landlord pay the Tenant is \$848.00. This amount represents:
 - \$800.00 for the key deposit that the Landlord illegally retained.
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by February 7, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by February 7, 2026, the Landlord will owe interest. This will be simple interest calculated from February 8, 2026 at 4.00% annually on the balance outstanding.
4. The Tenant has the right, at any time, to collect the full amount owing or any balance outstanding under this order.

January 27, 2026
Date Issued

Jeremy Henderson
Member, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor
Toronto ON M7A 2G6

If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.